



Health Services

LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

July 29, 2008

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First District

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Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT

(First and Second District) (3 Votes)

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

SUBJECT

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so. Since the compromises referenced below are not within the Director's authority, the Director is requesting Board approval of these compromises.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Interim Director of Health Services (Director) or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	H/UCLA – 7115689	\$ 16,079
(2)	Account Number	H/UCLA – Various	\$ 10,000
(3)	Account Number	MLK/D – 5423035	\$ 5,000
(4)	Account Number	LAC+USC – Various	\$ 3,363

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offers of settlement for patient accounts (1) – (4) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the legal settlement involved in these cases.

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The best interests of the County would be served by the approval of these compromises, since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$34,442.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



John F. Schunhoff, Ph.D.
Interim Director

JFS:lg (R:\LMARTINEZ\COMPROMISE\BRLTR#67\LETTER)

Attachments (4)

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: July 29, 2008

Total Charges	\$144,984	Account Number	7115689
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$144,984	Date of Service	8/29/05-9/10/05
Compromise Amount Offered	\$16,078.50	% Of Charges	11%
Amount to be Written Off	\$128,905.50	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of the accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$144,984 for medical services rendered. The patient was an out-of-county patient and does not qualify for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$50,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$16,500	\$16,500	33%
Lawyer's Cost	\$1,343	\$1,343	3%
H/UCLA Medical Center *	\$144,984	\$16,078.50	32%
Other Lien Holders *	\$952.50	\$952.50	2%
Patient		\$15,126	30%
Total		\$50,000	100%

* Lien holders are receiving 34% of the settlement (32% to H/UCLA Medical Center and 2% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: July 29, 2008

Total Charges	\$51,865	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$51,865	Date of Service	Various
Compromise Amount Offered	\$10,000	% Of Charges	19%
Amount to be Written Off	\$41,865	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$51,865 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$30,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement*
Lawyer's Fees	\$10,000	\$10,000	33.33%
Lawyer's Cost			
H/UCLA Medical Center	\$51,865	\$10,000	33.33%
Other Lien Holders			
Patient		\$10,000	33.33%
Total		\$30,000	100%

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: July 29, 2008

Total Charges	\$38,340	Account Number	5423035
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$38,340	Date of Service	8/14/03-8/19/03
Compromise Amount Offered	\$5,000	% Of Charges	13%
Amount to be Written Off	\$33,340	Facility	MLK/D Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of the accident, the patient was treated at MLK/D Medical Center and incurred total inpatient charges of \$38,340 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$10,000, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$4,000	\$1,787	17.87%
Lawyer's Cost *	\$2,835.99		
MLK/D Medical Center	\$38,340	\$5,000	50%
Other Lien Holders	\$28,690	\$1,426	14.26%
Patient		\$1,787	17.87%
Total		\$10,000	100%

* The patient's attorney has agreed to reduce his fees and waive his cost.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to MLK/D Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: July 29, 2008

Total Charges	\$25,428	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$25,428	Date of Service	Various
Compromise Amount Offered	\$3,362.52	% Of Charges	13%
Amount to be Written Off	\$22,065.48	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$25,428 for medical services rendered. The patient was a General Relief patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33%
Lawyer's Cost	\$206.64	\$206.64	1%
LAC+USC Medical Center *	\$25,428	\$3,362.52	23%
Other Lien Holders *	\$1,943.48	\$1,430.84	10%
Patient		\$5,000.00	33%
Total		\$15,000	100%

* Lien holders are receiving 33% of the settlement (23% to LAC+USC Medical Center and 10% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.